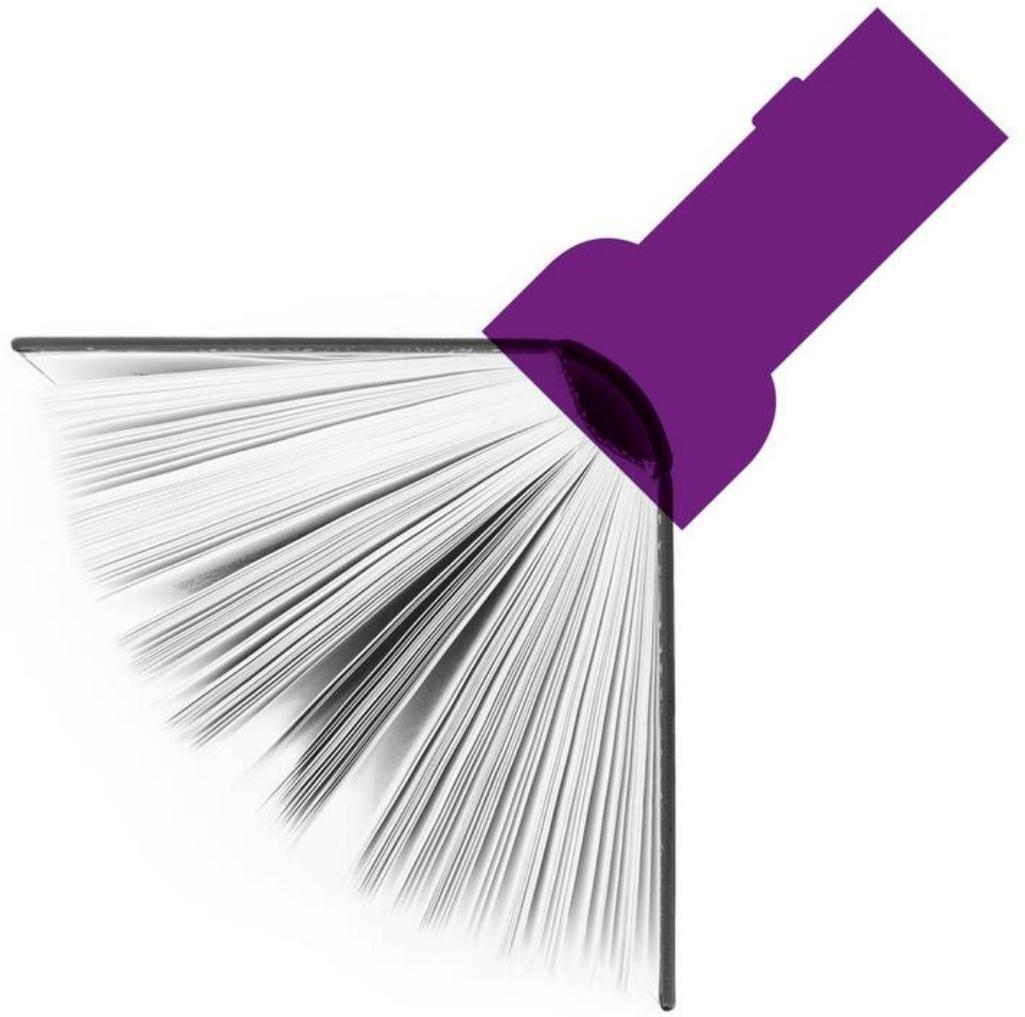


EVERSHEDS
SUTHERLAND



Gender and Ethnicity Pay Gap Report

6 April 2020 to 5 April 2021

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Building a diverse and inclusive firm

Our vision at Eversheds Sutherland is to be a truly diverse firm, with an inclusive culture that places respect and support for everyone at its core, where each person feels able to be their true self and is able to reach their full potential. We recognise that bringing together the perspectives of individuals of all backgrounds and life experiences is critical to achieving these aims.

We remain focused on our commitment to diversity and inclusion (D&I) and the delivery of our global strategy. Our diversity and inclusion strategy consists of six core pillars: leadership and accountability, progress evaluation, balancing global and local, recruiting diverse talent, awareness and career support, and clients and collaboration.

As a business, we continued to adapt to the challenges of the global pandemic, and this report is reflective of the circumstances during the reporting period.

Despite these challenges, we have launched a number of significant programmes aimed at supporting our aims in relation to attracting, recruiting, retaining and promoting the best diverse talent for the future, and embedding our inclusive culture. These included:

- Implementing our blended working model, bringing increased flexibility to our working environment, whilst also fostering opportunities to collaborate, innovate, learn and develop together
- Introducing a Family and Career Support Programme aimed at anyone who has taken a period out of the business of three months or more
- Launching our Career Sponsorship Programme which aims to provide equity of access to career development opportunities for diverse talent
- Improving the quality of our D&I data by launching our refreshed data monitoring campaign to improve our understanding of the make-up of our business
- Continuing to deliver Inclusive Leadership training for our partners and leaders
- Launching Inclusive Teams, a flexible programme which gives leaders and managers a framework for facilitating regular, open and effective conversations about inclusion at a team level
- Developing our Inclusion Index, a key metric through which we measure our progress on a global level.

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- Introducing guidance and training for colleagues on the use of gender neutral language as part of our aim to be more inclusive in the way that we work with each other, our clients and our communities.

We have also continued to provide guidance and support for our people on inclusive behaviours, whilst working closely with colleagues to raise awareness of key issues. This year we also launched our first Global Inclusion Week, bringing colleagues and clients together to shine a light on diversity and inclusion, creating opportunities for colleagues to connect with each other through a range of thinking, learning, and sharing activities.

We have made some further progress in respect of our gender and ethnicity pay position, particularly in relation to our overall gender pay gap for employees and the overall employee ethnicity pay gap. However, there are areas that have seen adverse change from the previous year and areas that still require our focus in order to make the positive change that we would like to achieve. We remain committed to our diversity targets, which includes our goal to increase representation of women at partner level to 35% by 2027; and ethnic minority partners in the UK to 10% by 2025.

We confirm that the information is accurate and has been calculated in line with the Equality Act 2010 (Gender Pay Gap Information Regulations 2017).



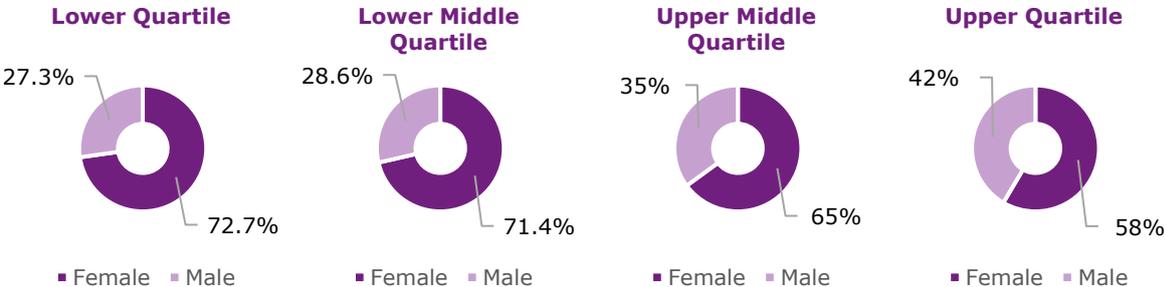
Gender Pay

As at 5 April 2021, Eversheds Sutherland in the UK had **2,600** employees of which **67%** were women. Within our employees, our lawyer population is **63%** women, while women comprise **69%** of other business professionals.

As at 5 April 2021, Eversheds Sutherland had **301** partners in the UK of which **30%** were women.

Pay Distribution

Employees

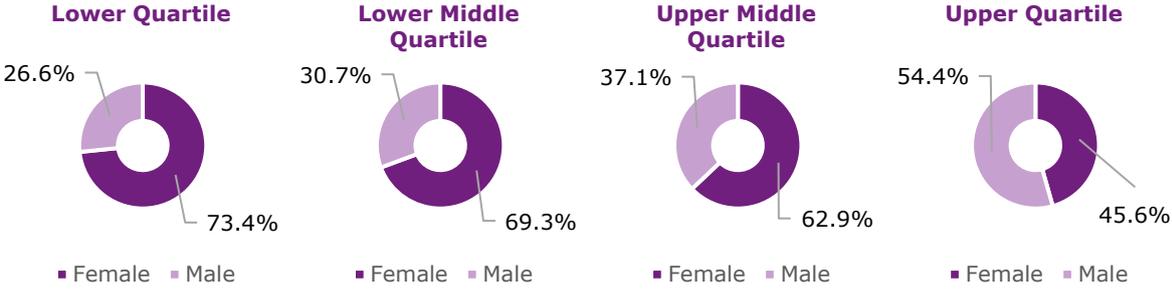


The charts above show the gender distribution across Eversheds Sutherland’s UK employees in four equally sized hourly pay quartiles. Overall women represent **67%** of our UK employees, excluding our partner population, and are represented across all pay quartiles. We have seen slight movement across the quartiles compared to the previous year, with a **0.4%** reduction in women represented in the lower quartile, and a **2%** increase in women represented in the upper quartile.

Within the upper quartile, there are still proportionately more men in the more senior higher paid roles, which remains a contributing factor to our overall gender pay gap. We remain committed to increasing the number of women in senior level roles within the upper quartile, across both our lawyer and business professional populations.



Combined (employees and partners)



When we look at the combined figures, including employees and partners, the distribution by gender across the quartiles changes when compared to the employee-only distribution, particularly for the Upper Quartile. This is reflective of the lower representation of women within our partner population. When we compare to the previous year, we have achieved minimal movement on our combined pay distribution, which indicates that we need to continue our focus on increasing the overall representation of women, particularly in the upper pay quartiles.

Gender Pay Gaps

The tables on the next page show the mean and median gender pay gaps for our employees and partners, and a combined figure. The gender pay gap reflects the average hourly pay of all females compared to the average of all males, and is expressed as a percentage relative to the male average in each group. The mean figure is calculated from the arithmetic average and can be impacted by outliers of very high or very low hourly pay figures. The median figure represents the middle hourly pay rate when they are put in order, and is therefore less affected by outliers. The median is generally seen as the more reliable measure to use for comparisons.

The table also shows our gender pay gaps for the last three reporting years. We have seen some improvement in our gender pay gaps from last year, with the mean gap across employees falling to **15.35%** from **19.06%**, and the median falling to **15.33%** from **20.38%**.



Our employee gender pay position

	Mean			Median		
	2021	2020	2019	2021	2020	2019
	Lawyers	7.71%	8.70%	8.18%	8.32%	11.37%
Other Business Professionals	11.86%	12.96%	17.16%	7.66%	8.52%	3.70%
All employees	15.35%	19.06%	20.17%	15.33%	20.38%	22.92%

The overall employee position (lawyers and other business professionals) shows an improving trend, which we believe reflects the implementation of our gender action plan. This figure is reflective of the wide range of role types across our employee population.

When we look specifically at the breakdown by role category, we have seen a reduction across both groups this year when compared to the previous year, for both the mean and the median pay gaps.

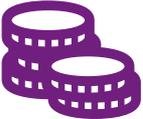
Our partner gender pay position

	Mean			Median		
	2021	2020	2019	2021	2020	2019
	Equity Partners	-5.41%	-2.33%	-5.64%	-19.92%	-19.31%
Fixed Share Partners	7.75%	5.31%	7.75%	6.86%	6.74%	7.37%
All Partners	33.55%	25.05%	24.84%	25.78%	22.68%	29.64%

Our partner gender pay gap has increased overall for both the mean and median since the previous year. The mean partner gender pay gap has increased by **8.5%** and the median has increased by **3.1%**. When we look specifically at the data for Fixed Share Partners, we see that the mean has increased by **2.44%**, and the median has increased slightly by **0.12%**.

The gender pay gap for Equity Partners remains favourable to women this year, but we recognise that this is a relatively small population and small changes will have a significant impact on this. We remain committed to increasing the number of women in our partnership and at our most senior levels.

Our combined gender pay position

	Mean			Median		
	2021	2020	2019	2021	2020	2019
All Partners and employees	58.30%	57.64%	57.78%	27.70%	33.75%	37.45%

The overall combined position for all partners and employees shows an increase in the mean gender pay gap of **0.66%**, whereas the median has decreased by **6.05%**.

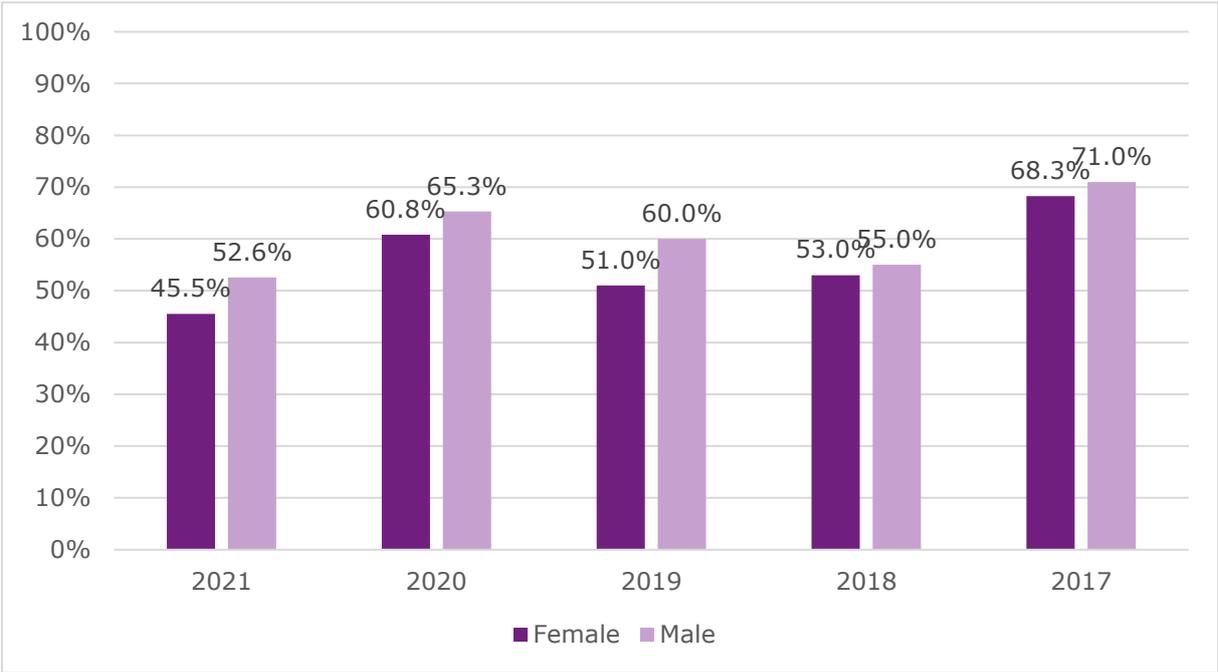
Gender bonus gaps

The distribution of females in an organisation impacts upon gender bonus gaps as well as gender pay gaps. More senior roles are likely to be higher paid and they are also more likely to be roles that receive a higher bonus payment.

In addition to the gender gap in bonus caused by role seniority, the proportion of people who receive a bonus will vary from year to year reflecting achievement of scheme criteria.

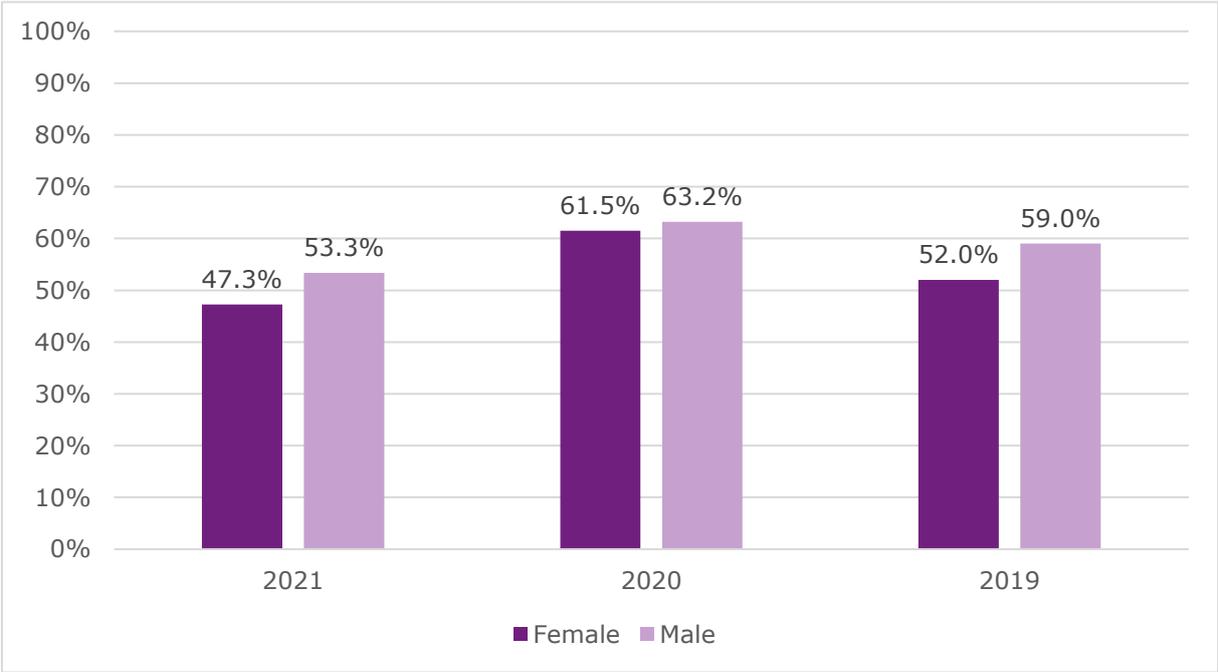


Proportion of employees receiving a bonus payment



When compared to the previous year, the number of both men and women receiving a bonus payment has reduced. This has been impacted by a change to our bonus structure that was applied during the global covid-19 pandemic. Historically, awards made through our Everyday Heroes colleague recognition scheme attracted a small monetary value. From April 2020, we moved to a pure recognition rather than monetary reward approach. This changed approach is reflected in the number of bonus payments that were made. Our remuneration strategy continues to focus on rewarding individual contributions and performance.

Combined (employees and Fixed Share Partners)



When we combine the employees and partners receiving a bonus payment, the proportion of men who received a bonus payment is **6%** higher than the proportion of women. In relation to the

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combined employees and partners, the number of women who received a bonus payment was 851, compared to 569 men.

The above bonus figures include our Fixed Share Partners only, our Equity Partner remuneration does not include an entitlement to a bonus.

Gender Bonus Gap

Although fewer bonus payments were made in 2021, the mean gender bonus gap has reduced by **4.59%** among our employee population compared to last year. Our median employee bonus gap has also reduced by **4.73%**. Whilst this is progress against the previous year, we recognise that there is still further work we need to do in this area.

Looking at the mean gender bonus position for our Fixed Share Partners, we see that this is favourable to women, having reduced from the previous year. The median gender bonus has increased very slightly by **0.42%**.

We will continue to focus on the structure and impact of our bonus schemes to achieve greater improvement.

Employees

	Mean			Median		
	2021	2020	2019	2021	2020	2019
	30.93%	35.52%	38.05%	33.33%	38.06%	20.00%

Fixed Share Partners

	Mean			Median		
	2021	2020	2019	2021	2020	2019
	-1.89%	3.95%	3.44%	0.39%	-0.03%	1.45%

Combined (employees and Fixed Share Partners)

	Mean			Median		
	2021	2020	2019	2021	2020	2019
	43.26%	41.69%	43.18%	48.98%	50%	50%

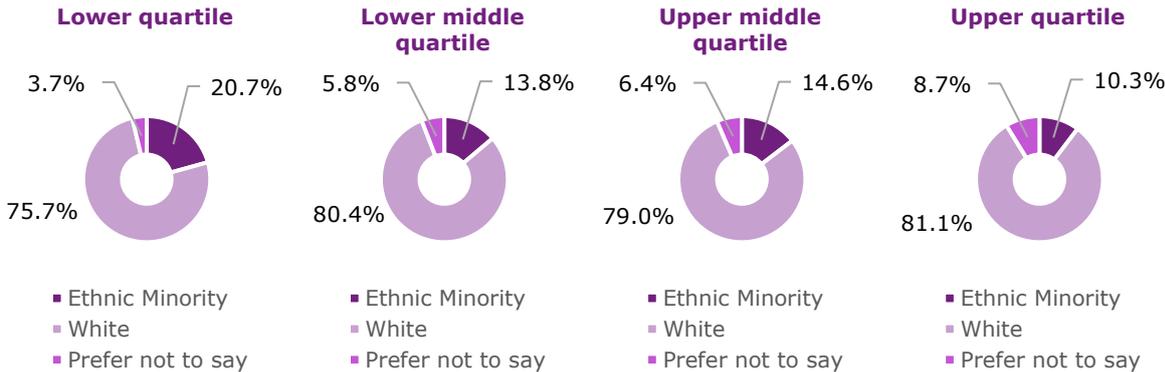
Ethnicity Pay

As at 5 April 2021, **14.56%** employees self-identified as being from an ethnic minority group, and **6.3%** of our UK partnership self-identified as being from an ethnic minority group. In calculating our ethnicity pay data, we have excluded the 'prefer not to say' category from our calculations, in order to better assess and understand those that have openly declared their ethnicity.

This is the third year that we have voluntarily reported on our ethnicity pay data and we have seen some positive movement on the previous year. We remain committed to continuing to voluntarily report on this data, and increasing the ethnic diversity of our business. We continue to focus on embedding an inclusive culture and creating an environment where our people can thrive. This is supported by our commitment to the Business in the Community Race at Work Charter, and our more recent adoption of the Halo Code (the UK's first Black Hair Code). We are an active member of the Business in the Community Race Leadership Team. We encourage open dialogue about race and ethnicity in the workplace, and supporting and developing our people to be effective allies.

In the absence of any legislation covering ethnicity pay reporting, for this voluntary report we have used the same reporting categories as we used in 2019 and 2020, so we can make a direct comparison. We have focused on the difference between white and ethnic minority employees, rather than a more detailed summary using the 5 main ethnic groups – White, Mixed, Asian, Black/African/Caribbean, and Other used by the Office for National Statistics. Although we have undertaken a more detailed analysis of pay distribution between different ethnic groups, we have not reported at a more granular level as we are aware of the potential confidentiality issues that can result from reporting across a small population of employees.

Pay distribution



The pay distribution across these quartiles reflects the lower representation of ethnic minority employees overall, particularly at more senior levels. Compared to the previous year, we see some slight movement, with **0.6%** more ethnic minority employees in the lower middle quartile, and **2.6%** less in the lower quartile. We also see an increase of **1.7%** in the number of ethnic minority employees in the upper quartile.

Ethnicity Pay Gaps (White/Ethnic Minority)

Voluntarily providing our ethnicity pay data ensures we have a clear understanding of our current position and gives a baseline to target improvement.

	Mean			Median		
	2021	2020	2019	2021	2020	2019
Employee	14.38%	19.41%	20.67%	20.57%	26.81%	24.17%
Partner	2.09%	-3.44%	-5%	10.66%	8.2%	11.37%
Combined	36.26%	39.30%	33.70%	17.39%	26.33%	22.72%

The mean ethnicity pay gap for employees has reduced by **5.03%** from the previous year, and the median ethnicity pay gap has also reduced by **6.24%**. Whilst this is progress against the previous year, we recognise that there is still further work we need to do in this area.

However, when we look at our partner ethnicity pay data, the mean pay gap has increased by **5.53%** from the previous year, and the median has also increased by **2.46%**.

Overall, the combined position has seen a reduction in both the mean and median ethnicity pay gaps when compared to the previous year. This is something we will keep under review, as small changes can have a significant impact on the overall position.

The binary comparison (white/ethnic minority) provides a single “ethnic minority” summary but also hides significant variation between ethnic groups. See examples overleaf.



Examples

Employee Mean Ethnicity Pay Gap			
Ethnic Grouping	2021	2020	2019
Asian	5.11%	12.72%	11.2%
Black	32.37%	34.06%	34.43%
Mixed	28.44%	29.32%	24.18%
Other	21.87%	25.44%	28.22%

There has been an overall reduction in the mean employee ethnicity pay gap across different ethnic groups since the previous year (Asian, Black, Mixed, Other). The greatest of these changes is the Asian ethnicity mean pay gap, which reduced by **7.61%**. The largest mean pay gap continues to be seen in the Black ethnicity group, at **32.37%**, and we know that this is an area where we have low representation at all levels. This requires continued focus in order to achieve greater change.

Employee Median Ethnicity Pay Gap			
Ethnic Grouping	2021	2020	2019
Asian	-0.35%	5.84%	4.76%
Black	36.79%	34.13%	30.24%
Mixed	30.06%	37.36%	32.67%
Other	27.80%	29.70%	26.19%

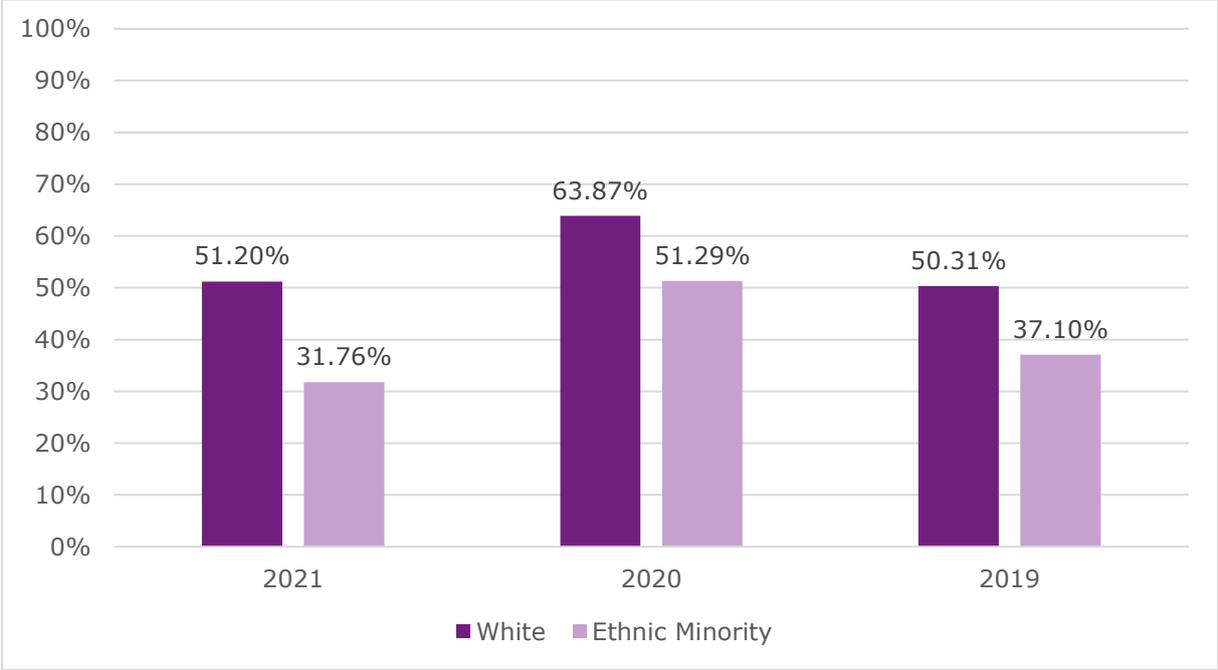
The employee median ethnicity pay gap for the Asian ethnicity group has reduced when compared to the previous year. However, the median employee ethnicity pay gap for the Black ethnicity group has increased by **2.66%** since the previous year. This is impacted by the lower representation of Black employees across the business, particularly at a senior level.



Ethnicity bonus gap

The bonus distribution and bonus pay gap figures are made with reference to the different roles, at different levels, held within the firm.

Proportion of employees receiving a bonus payment



The number of employees overall receiving a bonus payment in 2021 was less than the previous year. As set out earlier in this report, this has been impacted by a change to our bonus scheme that was applied during the reporting period.

The proportion of ethnic minority employees receiving a bonus compared to the previous year reduced by **19.53%**, compared to **12.67%** for the White employees. This is disappointing, particularly as we had seen positive movement from 2019 to 2020, and indicates that further improvement is needed.

Employee Ethnicity Bonus gap

	Mean			Median		
	2021	2020	2019	2021	2020	2019
	14.37%	41.04%	45.06%	10.88%	42.85%	45%

Although the overall number of employees receiving a bonus was less in 2021 than in 2020, both the mean and median employee ethnicity bonus gaps have reduced. Of the bonuses paid during the period, the average size of the payments increased from the previous year, meaning that ethnic minority colleagues who received a bonus were paid larger amounts on average. This has resulted in positive movement.

Gender and ethnicity action plan

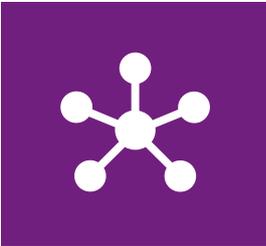
Diversity and inclusion (D&I) involves everyone. All of our people have a role to play in embedding our values, individually and collectively, as we work to deliver on our purpose. Our five shared values sit at the heart of our culture, defining how we behave in everything we do. One of our values is “Inclusive”. We foster a diverse and inclusive culture that places respect and support for everyone at its core and empowers all our people to fulfil their potential.

Our strategy is focused on both diversity and inclusion. The pillars that guide our strategic planning focus on local priorities, embracing intersectionality and leveraging difference to ensure that everyone has a platform to thrive.

We have a dedicated framework of D&I champions and network group committees within the business, who support our activities and provide valuable insight to help shape and inform what we do. Our Inclusion Council contribute to and help shape our firmwide D&I agenda.

Some of the key steps that we will take to continue to drive greater change across are business are:

Inclusive Hiring



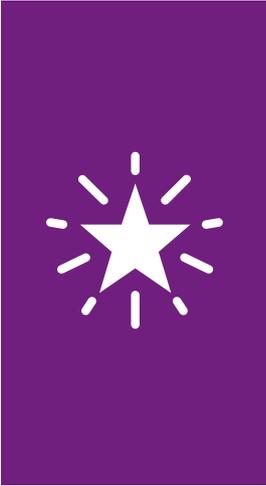
— We will continue implementation of the firm's inclusive hiring plan, ensuring that we can recruit the best possible talent at all levels in our firm and across all locations. This can only be achieved if we have an inclusive hiring approach to attract diverse talent and be seen as an employer of choice for a broad range of candidates. All of our leaders play a role in delivering on this.



— We will seek to ensure that our recruitment processes are not a barrier to diversity. Our recruitment team already use contextualized recruitment, strength-based interviewing and diverse interview and promotion panels. We will continue our focus on inclusive hiring training for panel interviewers, and working with the recruitment firms we appoint to identify opportunities to do better in attracting diverse talent.



— We will continue our Unlocked Programme, with the aim of removing any barriers to students from a variety of backgrounds participating in and getting the most out of the programme. We have enhanced the offering to our Unlocked bursary students over the last year, with additional mentor support, opportunities for work experience, a guaranteed place on our vacation scheme and the option of being assessed a year early for training contracts. As a result, three of our bursary students were offered training contracts with us last year.



- An important part of our inclusive hiring approach is the Apprenticeship and Graduate Recruitment programmes we run. Working with universities and other organisations is part of our work towards attracting diverse talent to these programmes. During 2021 we worked virtually on university campuses and with a number of other organisations. We want to further build on this during 2022, by developing relationships with a wider range of universities and organisations. We will also be supporting the #10000BlackInterns initiative this summer. We will revamp our work experience offering to focus on social mobility. We are also proud of being one of only two firms to sign up to 'Project Rise', an initiative to encourage more part-time training contacts to be offered as a matter of course in the legal sector. This will allow us to cast a wider net when recruiting and will welcome a broader and more diverse range of voices into our talent pipeline. We will continue to work towards our ethnicity targets, and our commitment to increase the number of women in our partnership.

Inclusive Teams



- We will continue to work hard to create an inclusive culture for all colleagues across all offices, embedding our values into the way we work and interact with each other recognising that an inclusive employee experience is vitally important. This focus specifically supports our commitments under the Business in the Community Race at Work Charter and The Law Society's Women in Law Pledge.



- Throughout 2022 we will continue our roll-out of inclusive leadership training, and further work to embed our Inclusive Teams programme across all teams and colleagues within our business. We will continue to support diverse talent career progression through our newly launched inclusive Career Sponsorship programme, which aims to provide equity of access to career development opportunities for diverse talent. We have also launched our Career Hub platform, as well as our senior skills development programme. We will continue to invest in our Family and Career Support Programme, which provides focussed support to anyone taking three months or more out of the business to ensure their transition out and back in is successful. We are also participating in the Say Gap project, putting a specific focus on developing diverse talent as external spokespeople/expert speakers to further provide career enhancing opportunities and better reflect the diversity of our business.



- We will continue to take a more inclusive lens to our promotions process, with increased diversity of interview panels, as well as a final review of all decisions at both micro and macro level. To further support this, have also launched our Talent Dashboard tool that enables each Practice Group Head to understand and monitor diverse talent in their business area, identify what further support may be of benefit, and better track their progress.
- We understand the importance of equality of opportunity for colleagues at all levels to be involved in new matters and projects to drive their personal development, and we are undertaking a project to ensure work allocation is based on objective measures (capacity, skills, matter profitability) and ensure a level playing field for hidden talent.

For further information, please contact:



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